Criteria of receiving funds under Backward States Grant Fund

2854. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) what are the criteria for receiving funds under the Backward States Grant Fund;

(b) how much money is estimated to be released under this fund during 2005-06; and

(c) the details of the States that have approached Central Government for receiving funds under this scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) A backward Districts/Areas Fund, with a provision of Rs. 5000 crore, has been included as a Central assistance to States Plan Scheme in budget 2005-06. The Scheme, with criteria for its allocation, is still to be formulated.

Capital investment in Textile Sector

2855. SHRI B.J. PANDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that he has made a statement that the Textile sector needs Rs. 2,700 crore capital investment to enable it to take on the evolving market opportunities under the seamless global textile trade;

(b) if so, what is the action plan of Government to help the Textile industry to improve their economy;

(c) whether Government propose to give more fiscal incentives to textile cluster based captive power units to bring down their cost of power; and

(d) if so the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Sir, Investment of Rs. 30,000 crore has been estimated in the textile sector in 2005-06, as indicated in the Budget Speech for 2005-06.

(b) To improve productivity and quality of cotton, the Government has launched the Technology Mission on Cotton (TMC). The Technology Upgradation Fund Scheme (TUFS) facilitates modernization and upgradation of the Textile industry two centrally sponsored schemes have been launched 'Apparel Parks for Export Scheme' for imparting a thrust for setting up of apparel manufacturing units of international standards at potential growth centres and 'Textile Centre Infrastructure Development Scheme' for upgrading infrastructure facilities at Textile centres. The fiscal duty regime announced in the Budget 2004-05 and 2005-06 will help in consolidation and expansion of capacities and modernization of Textile industry.

(c) No, Sir.

(d) Does not arise.

Utilisation of Education Cess

2856. SHRI EKANATH K. THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the huge education cess which is steadily flowing into Government coffers is being used less for educating or feeding children and more for providing fiscal comfort to the Centre;

(b) whether it is a fact that Government will be collecting Rs. 5,010 crore in 2004-2005 by way of 2 per cent education cess but its expenditure on education is expected to go up only by Rs. 2,000 crore;

(c) if so, the reasons therefor; and

(d) steps Government propose to take to utilize the collected education cess properly?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The information is being collected and will be laid on the Table of the House.